



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
[www.uspto.gov](http://www.uspto.gov)

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/679,054	10/03/2003	Kevin G. Woodruff	030676	1616
26285	7590	07/31/2007		
KIRKPATRICK & LOCKHART PRESTON GATES ELLIS LLP			EXAMINER	
535 SMITHFIELD STREET			SHRESTHA, BIJENDRA K	
PITTSBURGH, PA 15222			ART UNIT	PAPER NUMBER
			3691	
			MAIL DATE	DELIVERY MODE
			07/31/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>
	10/679,054	WOODRUFF ET AL.
	<b>Examiner</b>	<b>Art Unit</b>
	Bijendra K. Shrestha	3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on \_\_\_\_\_.
- 2a) This action is **FINAL**.                    2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-33 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-33 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 03 October 2003 is/are: a) accepted or b) objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:
  1. Certified copies of the priority documents have been received.
  2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____.                                     |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>10/03/2003</u> .  | 6) <input type="checkbox"/> Other: _____.                         |

## DETAILED ACTION

### *Claim Objections*

1. The method claim 11 refers to the claim 1. The Examiner interprets it is referring to preceding independent method claim 10. Appropriate correction required.

### *Double Patenting*

The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

2. Claims 1-33 are rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over 1-4, 6-16, 18-32, and 34-41 of **Application No. 10/679,071**. Although the conflicting claims are not identical, they are not patentably distinct from each other because '071 application in claims 1-4, 6-16, 18-32, and 34-41 teaches all the elements in claims 1-33 in the instant application

This is a provisional double patenting rejection since the conflicting claims have not yet been patented.

As per claims 1-4, 6-12 of application '071 teaches fixed income security having principal amount, a maturity date, an interest rate and a forward purchase contract. Claims 13-16, 18-32 and 34-41 of the application teach method and system comprising

Art Unit: 3691

a issuing unit, fixed income security and a forward purchase contract where fixed income security and the forward purchase contract are separable.

3. Claims 1-4, 6-7, 10-20, 24, 26, 27, 30 and 33 are rejected on the ground of nonstatutory double patenting over claims 1, 6, 10-13, 22, 23 and 25 of **Application No. 10/677,172**. Although the conflicting claims are not identical, they are not patentably distinct from each other because '172 application in claims 1, 6, 10-13, 22, 23 and 25 teaches all the elements in claims 1-4, 6-7, 10-20, 24, 26, 27, 30 and 33 in the instant application

This is a provisional double patenting rejection since the conflicting claims have not yet been patented.

As per claims 1-4, 6-7, 10-20, 24, 26, 27, 30 and 33 of instant application, application '172 teaches method and system comprising a issuing unit, fixed income security and a forward purchase contract where fixed income security and the forward purchase contract are separable.

#### ***Claim Rejections - 35 USC § 102***

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5. Claim 1-33 are rejected under 35 U.S.C. 102(e) as being anticipated by Aberman et al. U.S. Pub No. 2006/0218069 (reference A in attached PTO-892).

6. As per claim 1, Aberman et al. teach a unit having a stated amount (see paragraph [0053]; where REIT issues 6 million equity units preferred stock for about \$150 million), comprising:

a fixed income security having a maturity date, a principal amount and an interest rate (see paragraph [0053] and [0058]; where 6 million equity units preferred stock for about \$150 million is issued matures at the end of three years period; the examiner notes that preferred stock is hybrid security having characteristics of bond and stock in some way and another); and

a forward purchase contract (see paragraph [0053], wherein the fixed income security and the forward purchase contract are separable (see Fig. 2, paragraph [0030] and [0058]),

wherein the forward purchase contract obligates a holder of the forward purchase contract to purchase a quantity of equity securities from an issuer of the unit for a price equal to the stated amount of the unit no later than a settlement date specified in the forward purchase contract (see paragraph [0034] and [0053]), and

wherein the forward purchase contract further obligates the issuer of the unit to pay a purchaser of the unit a forward purchase contract payment at issuance of the unit (see paragraph [0031]; where issuer pays to purchaser at some future time which Examiner interprets could be quarterly or semi-annually).

Art Unit: 3691

7. As per claim 2, Aberman et al. teach claim1 as described above. Aberman et al. further teach the unit, wherein

the maturity date of the fixed income security is at least two years after the specified settlement date of the forward purchase contract (see paragraph [0053] and [0058]; where 3 year forward purchase commitment or purchase contract is assigned for each investment unit).

8. As per claim 3, Aberman et al. teach claim1 as described above. Aberman et al. further teach the unit, wherein

the fixed income security is issued by the issuer of the unit (see paragraph [0053]).

9. As per claim 4, Aberman et al. teach claim 1 as described above. Aberman et al. further teach the unit, wherein

the fixed income security is issued by a subsidiary of the issuer of the unit (see paragraph [0034]).

10. As per claim 5, Aberman et al. teach claim1 as described above. Aberman et al. further teach the unit, wherein

the fixed income security is issued by a trust, wherein the issuer has an ownership interest in the trust (see paragraph [0053] and [0061]; where preferred securities is issued by Real Estate Investment Trust (REIT)).

11. As per claim 6, Aberman et al. teach claim 5 as described above. Aberman et al. further teach the unit, wherein

the fixed income security is a trust-preferred security (see paragraph [0053]).

Art Unit: 3691

12. As per claim 7, Aberman et al. teach claim 1 as described above. Aberman et al. further teach the unit, wherein

the fixed income security is a bond (see paragraph [0053]; the Examiner notes that preferred security is hybrid security, similar to bond in some respect).

13. As per claim 8, Aberman et al. teach claim1 as described above. Aberman et al. further teach the unit, wherein

the issuer of the unit is not the issuer of the equity securities (see paragraph [0030] and [0034]).

14. As per claim 9, Aberman et al. teach claim 1 as described above. Aberman et al. further teach the unit, wherein

the fixed income security is issued by a parent of the issuer of the unit (see paragraph [0034]).

15. As per claim 10, Aberman et al. teach a method, comprising:

issuing a unit having a stated amount, the unit including a fixed income security and a forward purchase contract, wherein the fixed income security and the forward purchase contract are separable; paying at issuance, by a purchaser of the unit, a principal amount of the fixed income security in exchange for purchase of the unit (see Fig. 1 and 2; paragraph [0028] and [0053]);

paying at issuance, by an issuer of the unit, a forward purchase contract payment to the purchaser of the unit (see paragraph [0031]; the Examiner notes that

Art Unit: 3691

arrangement of payment at issuance or at the future can be agreed upon between issuer and the purchaser of forward purchase contract).

16. As per claim 11, Aberman et al. teach claim 10 as described above. Aberman et al. further teach the method, wherein

the maturity date of the fixed income security of the unit is at least two years after the specified settlement date of the forward purchase contract (see paragraph [0053] and [0058]; where 3 year forward purchase commitment or purchase contract is assigned for each investment unit).

17. As per claim 12, Aberman et al. teach claim 10 as described above. Aberman et al. further teach the method, wherein

paying interest fee payments on the fixed income security and forward purchase contract adjustment payments to the purchaser after issuance of the unit and prior settlement of the forward purchase contract (see paragraph [0053] and [0031]).

18. As per claim 13, Aberman et al. teach claim 12 as described above. Aberman et al. further teach the method comprising, at settlement,

the purchaser of the unit purchasing a quantity of equity securities from the issuer of the unit for a price equal to the stated amount of the unit (see Fig. 1; paragraph [0053] and [0058]).

19. As per claim 14, Aberman et al. teach claim 13 as described above. Aberman et al. further teach the method, wherein

the purchaser of the unit purchasing a quantity of equity securities of the issuer includes the purchaser purchasing a quantity of common stock of the issuer (see Fig. 1; paragraph [0053] and [0058]).

20. As per claim 15, Aberman et al. teach claim 13 as described above. Aberman et al. further teach the method comprising

the purchaser reselling the fixed income security (see paragraph [0059]).

21. As per claim 16, Aberman et al. teach claim 15 as described above. Aberman et al. further teach the method, wherein

reselling the fixed income security includes the purchaser reselling the fixed income security prior to the settlement date (see paragraph [0059]).

22. As per claim 17, Aberman et al. teach claim 16 as described above. Aberman et al. further teach the method, wherein

the purchaser of the unit purchasing a quantity of equity securities of the issuer includes the purchaser paying the issuer with proceeds from resale of the fixed income security (see paragraph [0059]).

23. As per claim 18, Aberman et al. teach claim 10 as described above. Aberman et al. further teach the method, wherein

the fixed income security is a bond (see paragraph [0053]; the Examiner notes that preferred security is hybrid security, similar to bond in some respect).

24. As per claim 19, Aberman et al. teach claim 13 as described above. Aberman et al. further teach the method comprising

a subsidiary of the issuer of the unit issuing the fixed income security (see Fig. 1; paragraph [0028] and [0053]).

25. As per claim 20, Aberman et al. teach claim 19 as described above. Aberman et al. further teach the method comprising

the issuer of the unit guarantying payment obligations of the subsidiary (see paragraph [0034] and [0034]).

26. As per claim 21, Aberman et al. teach claim 13 as described above. Aberman et al. further teach the method comprising

a trust issuing the fixed income security, wherein the issuer of the unit has an ownership interest in the trust (see Fig. 1; paragraph [0053]).

27. As per claim 22, Aberman et al. teach claim 21 as described above. Aberman et al. further teach the method comprising

the issuer of the unit guarantying payment obligations of the trust (see paragraph [0053]).

28. As per claim 23, Aberman et al. teach claim 21 as described above. Aberman et al. further teach the method, wherein

the fixed income security includes a trust- preferred security (see paragraph [0053]; where REIT issued preferred stock).

29. As per claim 24, Aberman et al. teach claim 21 as described above. Aberman et al. further teach the method comprising

the trust purchasing a second fixed income security (see Fig. 1; paragraph [[0010], [0027] and [0028]]; where REIT issues common stock to the parent 40 in return

of contribution of REIT-eligible asset (include second fixed income securities such as mortgage backed securities) by the parent).

30. As per claim 25, Aberman et al. teach claim 21 as described above. Aberman et al. further teach the method comprising

the trust purchasing a second fixed income security issued by a subsidiary of the issuer of the unit (see paragraph [0010] and [0028]; REIT exchanges REIT-eligible asset with its common stock with its parent; the Examiner interprets REIT-eligible asset includes second fixed income security).

31. As per claim 26, Aberman et al. teach claim 13 as described above. Aberman et al. further teach the method comprising

a parent of the issuer of the unit issuing the fixed income security (see paragraph [0034]).

32. As per claim 33, Aberman et al. teach a method, comprising a pricing a unit for sale to potential investors, wherein the unit includes:

a fixed income security having a maturity date, a principal amount and an interest rate (see paragraph [0053] and [0058]; where 6 million equity units preferred stock for about \$150 million is issued matures at the end of three years period; the examiner notes that preferred stock is hybrid security having characteristics of bond and stock in some way and another); and

a forward purchase contract(see paragraph [0053], wherein the fixed income security and the forward purchase contract are separable(see Fig. 2, paragraph [0030]

and [0058]), wherein the forward purchase contract obligates a holder of the forward purchase contract to purchase a quantity of equity securities from an issuer of the unit for a price equal to a stated amount of the unit no later than a settlement date specified in the forward purchase contract(see paragraph [0034] and [0053]), and

wherein the forward purchase contract further obligates the issuer of the unit to pay a purchaser of the unit a forward purchase contract payment at issuance of the unit (see paragraph [0031]; where issuer pays to purchaser at some future time which Examiner interprets could be quarterly or semi-annually).

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

33. Claim 27-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Aberman et al. U.S. Pub No. 2006/0218069 (reference A in attached PTO-892) in view of Pushka, U.S. Pub No. 2002/0103852 (reference A in attached PTO-892).

34. As per claim 27-32, Aberman et al. teach a system, comprising reselling a fixed income security on behalf of an investor (see paragraph [0059]), wherein the fixed income security was issued as part of a unit further including a forward purchase contract, wherein the forward purchase contract obligates a holder of the forward purchase contract to purchase a quantity of equity securities from an issuer

of the unit for a price equal to a stated amount of the unit no later than a settlement date specified in the forward purchase contract (see Fig. 1; paragraph [0053] and [0058]), and wherein the forward purchase contract further obligates the issuer of the unit to pay a purchaser of the unit a forward purchase contract payment at issuance of the unit (see paragraph [0031]; where issuer pays to purchaser at some future time which Examiner interprets could be quarterly or semi-annually).

Aberman et al. do not teach computer system comprising computing device comprising reselling the fixed income security on the behalf of an investor; electronically depositing at least a portion of the proceeds from the resale of the fixed income security in an account of the issuer of the unit; and depositing a remaining portion of the proceeds from the resale of the fixed income security in an account of at least one of the investor and a remarketing agent.

Pushka teaches computer system comprising computing device comprising reselling the fixed income security on the behalf of an investor; electronically depositing at least a portion of the proceeds from the resale of the fixed income security in an account of the issuer of the unit; and depositing a remaining portion of the proceeds from the resale of the fixed income security in an account of at least one of the investor and a remarketing agent (Pushka, Fig. 4-8; paragraphs [0164] and [0165]).

Therefore, it would be *prima facie* obvious to one of ordinary skill in the art at the time the invention was made to include the computing device comprising reselling the fixed income security on the behalf of an investor; electronically depositing at least a portion of the proceeds from the resale of the fixed income security in an account of the

issuer of the unit; and depositing a remaining portion of the proceeds from the resale of the fixed income security in an account of at least one of the investor and a remarketing agent of Aberman et al. because Pushka teaches split fund (include hedging with forward contract) have large number of split fund unit and contract holders and, it is necessary for computer system to manage data, sale and redemption of units and contracts, dividend declarations, pricing , and all other necessary monitoring for regulatory and tax purposes (Pushka, paragraph [0161]).

### ***Conclusion***

35. The prior art made of record and not relied upon is considered pertinent to applicant's disclosures. The following are pertinent to current invention, though not relied upon:

Aberman et al. (U.S. Pub No. 5,930,777) teaches financial instruments and method.

Bodurtha et al. (U.S. Pubt No. 2003/0182219) teach total return asset contracts and associated processing systems.

Fisher et al. (U.S. Pub No. 2004/0153388) teach method and system for coupling investments for project funding.

Daughtery , III (U.S. Patent No. 6,263,321) teaches apparatus and process for calculating an option.

Lancaster et al. (U.S. Pub No. 2002/0133456) teach system and method for using derivative financial product in capacity-driven industries.

Higgins (U.S. Pub No. 2002/0120542) teaches basket option hedging method.

Lange (U.S. Patent No. 6,321,212) teaches financial product having a demand-based adjustable return and trading exchange therefor.

Williams et al. (U.S. Pub No. 2006/0212380) teach method for issuing, distributing, managing and redeeming investment instruments providing normalized annuity options.

Woodley (U.S. Pub No. 2002/0178111) teaches portfolio hedging method.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Bijendra K. Shrestha whose telephone number is (571)270-1374. The examiner can normally be reached on 7:00AM-4:30PM (Monday-Friday); 2nd Friday OFF.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571)272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 3691

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

BKS



ALEXANDER KALINOWSKI  
SUPERVISORY PATENT EXAMINER